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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re: * Case No.: 11-31376

HOWREY LLP, * Chapter 11

Debtor. * Date: April 25, 2013
* Time: 9:30 a.m. PDT
* Ctrm: U.S. Bankruptcy Court,
230 Pine Street

* 230 Pine Street
San Francisco, CA

**OFFICIAL COMMITTEE OF UNSECURED CREDITORS' JOINDER TO
CHAPTER 11 TRUSTEE'S OPPOSITION TO MOTION OF HAYNES AND BOONE, LLP**

TO THE HONORABLE DENNIS J. MONTALI:

The Official Committee of Unsecured Creditors of Howrey, LLP (the “Committee”) respectfully files this Joinder (the “Joinder”) to the *Opposition to Motion of Haynes and Boone, LLP for Order Confirming that the Automatic Stay is Inapplicable or, in the Alternative, Granting Relief from the Automatic Stay* (the “Opposition”) filed by Allan B. Diamond, Chapter 11 Trustee (the “Trustee”). The Committee supports the Trustee’s Opposition and joins therein. The Committee further opposes the *Motion of Haynes and Boone, LLP for Order Confirming that the Automatic Stay is Inapplicable or, in the Alternative, Granting Relief from the Automatic Stay* (the “Motion”) as follows:

1 **The Motion is Improper and Untimely Forum Shopping**

2 The Motion filed by Haynes and Boone, LLP (“Haynes and Boone”) is untimely and
3 constitutes an improper attempt to forum shop. Haynes and Boone undoubtedly knew that the
4 former partners of Howrey and their successor firms would be subject to claims for unfinished
5 business and that such claims would be a central issue of the firm’s dissolution when it hired
6 former Howrey partner Richard Ripley (“Mr. Ripley”) on March 16, 2011. The former partners
7 recognized this risk and tried to avoid liability for unfinished business claims by adopting an
8 amendment to Howrey’s partnership agreement waiving Howrey’s right to the profits from any
9 unfinished business (the “Jewel Waiver”) on March 9, 2011, the same day that the partnership
10 voted to dissolve. *See* Dkt. No. 1087, at 5:9-15. As a Level II equity partner entitled to vote on
11 the Jewel Waiver, Mr. Ripley clearly was aware that claims for unfinished business would be
12 asserted. As a sophisticated national firm, Haynes and Boone undoubtedly knew when it hired
13 Mr. Ripley that unfinished business claims would be pursued.

14 Mr. Ripley and Haynes and Boone had the opportunity to challenge the venue of this case
15 in May 2011 when Howrey (then controlled by its former partners) filed its *Motion to Dismiss*
16 *Involuntary Petition or, in the Alternative, to Transfer Venue*. *See* Dkt. No. 13. Those very same
17 former partners ultimately acquiesced in the case remaining in the Northern District of California.
18 Mr. Ripley and Haynes and Boone did not press the transfer of venue, and the case has progressed
19 in this district for more than two years. There is no cause to fracture this case by authorizing
20 litigation of a central issue in another jurisdiction.

21 **Granting the Motion will Create Costly Multi-Jurisdictional**
22 **Litigation and Frustrate the Bankruptcy Process**

23 Granting Haynes and Boone’s Motion would result in time consuming and costly multi-
24 jurisdictional litigation. Haynes and Boone suggests that because the Howrey partnership

agreement yields to any contrary provision in an “applicable Code of Professional Responsibility,” the Bankruptcy Court should permit to the District of Columbia Superior Court to determine whether the D.C. Rules of Professional Conduct permit Mr. Ripley to retain profits derived from unfinished business of Howrey. *See* Dkt. No. 1087, at 13:4-11, 14:12-19. While Haynes and Boone only seeks to litigate in the District of Columbia, other firms with partners who are governed by the ethics rules of other states could seize on the same arguments and seek to have the matters adjudicated in their own venues.

Haynes and Boone can offer no assurance that the matter will proceed promptly in the District of Columbia, much less in multiple jurisdictions, if others seek the same relief. Haynes and Boone admits the fact-intensive nature of these suits when it states that it will seek a determination that the Howrey partners in fact waived the right to unfinished business claims prior to the Jewel Waiver. *See* Dkt. No. 1087, at 14:7-14. Litigating this and other issues in multiple jurisdictions would be costly, duplicative, and carry a significant risk of inconsistent factual and legal determinations.

The relief sought by Haynes and Boone contravenes the fundamental goal of the Bankruptcy Code to centralize proceedings in a single court. *See Armco Fin. Servcs. Corp. v. North Atlantic Ins. Co.*, 229 B.R. 90, 96 (Bankr. S.D.N.Y. 1999). The resulting delay and substantial additional costs would only prolong this case and deplete the limited assets of the estate that could otherwise provide a return to Howrey's creditors.

The Motion Ignores the Best Interest of the Creditors

Absent from the Motion is any consideration of the best interest of Howrey's creditors. Haynes and Boone's attempt to fragment the case serves only the former partners and the large law firms that happily took them (and their portable business) in after Howrey's demise. The

1 creditors would bear the expense and delay resulting from such relief. There is no cause to
2 accommodate the litigation strategy of well compensated law firm partners, and large
3 sophisticated law firms, at the expense of the former employees, trade creditors and landlords who
4 comprise the unsecured creditors of this estate.
5

6 **Conclusion**

7 For the foregoing reasons, the Committee respectfully requests that the Court deny the
8 Motion and grant any further relief that the Court deems just and proper.

9 Dated: April 18, 2013

10 Respectfully submitted,

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2 **PROOF OF SERVICE**

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I, Rebekah R. Odom, declare:

I am a resident of the Commonwealth of Virginia and over the age of eighteen years, and not a party to the within action; my business address is 3190 Fairview Park Drive, Suite 300, Falls Church, Virginia 22042. On April 18, 2013, I served the foregoing *Official Committee of Unsecured Creditors' Joinder to Chapter 11 Trustee's Opposition to Motion of Haynes and Boone, LLP.*

x (CM/ECF) The document was electronically served on the parties to this action via the mandatory United States Bankruptcy Court of California CM/ECF system upon filing of above described document.

SEE ATTACHED SERVICE LIST

x (ELECTRONIC MAIL SERVICE) By electronic mail (e-mail) the above listed document(s) without error to the email address(es) set forth below on this date.

SEE ATTACHED SERVICE LIST

x (UNITED STATES MAIL) By depositing a copy of the above-referenced documents for mailing in the United State Mail, first class postage prepaid, at Falls Church, Virginia, to the parties listed on Exhibit A attached hereto, at their last known mailing addresses, on April 18, 2013.

SEE ATTACHED SERVICE LIST

I am employed in the office of a member of the bar of this court at whose direction the service was made.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 18, 2013, at Falls Church, Virginia.

23 /s/ Rebekah R. Odom
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